

# Program Memorandum Intermediaries

Department of Health and  
Human Services (DHHS)  
HEALTH CARE FINANCING  
ADMINISTRATION (HCFA)

Transmittal A-01-59

Date: MAY 3, 2001

## CHANGE REQUEST 1647

**SUBJECT: Correction of Some Fiscal Year (FY) 2001 Hospice Wage Indices**

The Medicare program is required to announce the annual update to the Hospice Wage Index as required by §1814(i) of the Social Security Act. The annual updates are published in the *Federal Register* and effective on October 1 of every Federal FY. The most recent update to the Hospice Wage Index for FY 2001 was published in the *Federal Register* on October 6, 2000. (See *Federal Register*/Vol.65, No. 195/October 6, 2000.)

After the publication of the October 6, 2000, Hospice Wage Index Notice, we identified nineteen (19) inaccuracies in the wage index tables found in the *Federal Register* (Tables A and B). Upon identifying the inaccurate wage index values, we immediately took steps to ensure that the correct values were incorporated in our hospice payment software (PRICER). Therefore, hospice payments have been made with the correct Hospice Wage Index values since October 1, 2000.

We intend to publish the corrected wage index values in the *Federal Register* as soon as practicable. However, we believe that hospice providers should be alerted to the correct wage index values to assist them in reconciling their Medicare hospice payments. The table below provides the inaccurate wage index values published in the *Federal Register*, as well as the correct wage index values found in the hospice PRICER.

Inform your hospice providers of these corrections by posting this information on your website immediately upon receipt of this Program Memorandum (PM) and follow the website notification by posting this information in your next hardcopy bulletin addressed to hospice providers.

MSA Code	Published (FR) Wage Index	Correct Wage Index
0600	0.9603	0.9604
0840	0.9129	0.9188
1950	0.9277	0.9655
1960	1.0080	0.9277
2000	0.9576	1.0080
2020	0.9248	0.9576
2040	0.8867	0.8866
2840	1.0935	1.0934
2880	0.9258	0.9257
3285	0.8134	0.8133
5140	0.9681	0.9680
5483	1.3166	1.3165
6483	1.1391	1.1390
6640	1.0170	1.0169
6780	1.1945	1.1944
6800	0.8672	0.8671
9950	1.1131	1.1130
8160	1.1377	1.0029
6020	0.8869	0.8966

**The *effective date* for this PM is May 6, 2001.**

**The *implementation date* for this PM is June 18, 2001.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after April 1, 2002.**

**If you have any questions, contact Lynn Riley at (410) 786-1286.**